

From: Steve Quintanilla <[REDACTED]>
Sent: Wednesday, January 30, 2019 4:52 PM
To: Dipierro, Amy <ADipierro@palmspri.gannett.com>
Subject: RNCH: Affordable Housing Questions

Hi Amy,

Here is my (lengthy) response to the question below:

1. The most recent version of the Rancho Palms complaint alleges that Rancho Mirage's conduct at Rancho Palms "was, and is, the deliberate implementation of a plan and policy of housing discrimination designed to deny housing within the city of Rancho Mirage to low income families with minor-aged children, and/or that are principally Latino or Hispanic." What is the city's response to this specific allegation?

There is absolutely no truth to this allegation. In fact, in all the years I have worked with the City of Rancho Mirage, this is the only litigation I recall that involved any claim of housing discrimination. As set forth in several of the documents I sent to you, it is clear that Rancho Mirage has been extremely proactive with respect to seeking creative ways of providing affordable housing opportunities for both seniors and families of very low and low incomes, regardless of their race, ethnicity, color, national origin, etc. (i.e., people like me!) and regardless of the unexpected loss of the 20% affordable housing set-aside funding from the former Redevelopment Agency.

32 years ago, in 1987, the City Council adopted an Affordable Housing Density Bonus Ordinance which provides increased density to developers in exchange for the inclusion of affordable housing units in their market-rate development projects or when a developer donates land to the City for affordable housing. A year later, in 1988, the voters approved Mobilehome Park Rent Control which limits the amount of rent charged for a space occupied by an owner-occupied mobilehome, which the City's Mobilehome Fair Practices Commission monitors and enforces. This, coupled with the City's voluntary assumption of the State's Title 25 mobilehome park enforcement, helps ensure that families living in several City's mobilehome parks are protected from indiscriminate rent increases and declining living conditions caused by the decline in the level of maintenance of a park by park management in parks subject to rent control.

In addition, 25 years ago in 1994, the City of Rancho Mirage formally established the Rancho Mirage Housing Authority as an independent agency, independent from the City and independent from the former Rancho Mirage Redevelopment Agency. This allowed the City of Rancho Mirage to have an agency that solely focused on the production and protection of quality affordable housing. The Housing Authority was created specifically

because the City of Rancho Mirage acknowledged that there was a presence of unsanitary or unsafe affordable dwelling units in the City and there was shortage of safe and sanitary affordable dwelling units available to persons of low and moderate income for rent or sale. In that same year, the City of Rancho Mirage also established a Housing Commission with the sole purpose of providing the Housing Authority Board of Directors (City Council) advice and recommendations on most affordable housing issues. As recently as last year, in 2018, recognizing that there remains a continued need to protect the City's inventory of affordable housing, the City Council amended its short-term rental (aka vacation rentals regulations) to specifically prohibit established affordable housing units from being rented out for vacation rental purposes, since other cities have experienced an increase in housing costs due to the private vacation rental market.

Moreover, 22 years ago in 1997, the City Council adopted an ordinance that created an exception from the payment of an existing license tax on new construction for low-cost housing projects – including family affordable housing. This allows the City Council to attach conditions, including but not limited to, placing limitations on rent or income levels of tenants. In that same year, the City of Rancho Mirage approved its participation in Section 8, which allows government to subsidize payment of rental housing for low income tenants (including those with families) to private landlords. In this case, however, U.S. citizenship or eligible immigration status is a requirement – but a requirement imposed by the federal government and not the City of Rancho Mirage. To accommodate family households, this program allows for a \$480 deduction from the tenant's annual income for each dependent child. Section 8 housing is also available at Villa Mirage Apartments, which is a privately-owned 98-unit affordable apartment project located at the northwest city boundary. The project provides very-low and low income family households with two and three-bed room units. Furthermore, 17 years ago in 2002, the City Council adopted an ordinance that reduced the minimum room sizes for affordable housing. This basically allows and encourages developers to include more bedrooms in a house without additional construction costs that may be associated with having to expand the footprint of the house to accommodate more bedrooms. This strategy has proven to produce more affordable units for families, and particularly larger families. Two years later in 2004, the City Council adopted an ordinance that specifically exempts affordable housing projects from the payment of development impact fees, which provides an incentive to developer to construct affordable housing or to include an affordable housing component in their otherwise market-rate residential projects. Basically, this allows the City Council to defer or exempt the payment of any impact fees due from developers of affordable housing units. That same year, the City Council imposed a requirement on a new high-end single family residential development, known as Mission Shores, that required the developer to record a moderate-income affordability covenant of 21 homes for 15 years. This created the real opportunity for some families to purchase very spacious and beautiful homes they could not otherwise afford, but for the City's action. Even the purchase of Rancho Palms Mobilehome Park in 2009 is an indication of the City's genuine commitment to providing quality affordable housing,

since the Housing Authority Housing Authority recognizes the obligation to provide replacement affordable housing. By the way, in the case of Rancho Palms, although no formal action has been taken as to whether that site is amendable to providing family affordable housing due to its proximity to the City's busiest traffic corridor (Highway 111), the City has other options available to locate such replacement housing in areas of the City where traffic safety does not present a potential safety risk to children walking to and from school. In fact, in 2012, the City Council identified one potential area where such replacement family affordable housing could be constructed - in the Section 19 Specific Plan area. In 2012, the City Council adopted Ordinance No. 1047 which requires 1,120 affordable housing units, and a specified percentage of 4+ bedroom units that can accommodate large families, in the Section 19 Specific Plan area. The Section 19 Specific Plan area consist of approximately 270 acres situated at the northern edge of the City, adjacent to the Agua Caliente Hotel and Casino and Interstate 10. In addition to the Section 19 Specific Plan area, other potential sites to construct replacement family affordable housing, include approximately 65 acres of land located in the City that are specifically identified by assessor parcel numbers in the City's State-approved Housing Element. These 65 acres are able to accommodate 671 additional family affordable housing units.

Finally as recently as three years ago, the City places affordability restrictions on Rancho Mirage Villa Apartments, which is a privately-owned apartment complex at 71760 San Jacinto Drive, as a result of Code Compliance proceedings. In lieu of having the apartments demolished and families evicted from the complex, the owner agreed to rehabilitate the units and it now provides 35 affordable family apartments that are now safe to inhabit.

I think it is important to note that Rancho Mirage, like most other cities, have had their efforts toward producing or encouraging the production of family affordable housing by the private sector hampered by the sudden loss of the 20% affordable housing set-aside funding in 2011. As I mentioned earlier, prior to the demise of Redevelopment Agencies throughout the State, the Housing Authority was funded with a 20% affordable housing set-aside from the tax increment revenue that was generated by the former Redevelopment Agency. This basically meant that for every \$1.00 in tax revenue generated by the former Redevelopment Agency, 20 cents had to be set aside for the construction, operation and maintenance of affordable housing. When the 20% affordable housing set-aside revenue stream was flowing, the Housing Authority also had a fairly robust Home Improvement Program in place. The Program provided financial assistance to qualifying income households to repair and remediate substandard living conditions of homes in order to improve the health, safety, and overall living conditions, oftentimes were present in some of the affordable housing units in the City that were privately owned. The purpose of the Program was to help ensure that affordable housing in the City did not mean it had to be substandard, unsanitary or unsafe to inhabit. Since this funding source no longer exists, there is no longer a source of reliable funding for the

Housing Authority (along with most other cities in California) to construct, operate and maintain any kind of affordable housing. However, this has not deterred the City of Rancho Mirage from pursuing its goal of providing quality, safe affordable housing for very-low and low income families regardless of their perceived race, ethnicity, color, national origin, etc.

On a personal note, I grew up in a low-income family that was in a protected class because of my family's race, ethnicity, color and national origin, and my parents would be turning in their graves if they thought I was representing any public agency which discriminated against anyone on this basis (or any other basis) since they knew that I personally witnessed as a child how racial discrimination caused so much hurt and embarrassment to them. As such, as a public sector attorney, I am hypersensitive when it comes to anything that may appear to be discriminatory (even if is not) and many of the public officials I work with (including every Rancho Mirage Council Member I have worked with) recognize this as a trait in me that they truly appreciate. This is why I have so much personal respect for them.

Regards,

Steve Q.

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